

**[Note to the Public: The E/M adjustment factors proposed below are the ratios that were determined by the Lewin Group through the Physician Work and Practice Expense studies. The ratios reflect the increased physician work and practice expense that are involved in providing Evaluation and Management services to workers' compensation patients. The tables below are excerpts of the Lewin Group's tables in the Physician Work and Practice Expense Studies. Lewin's draft studies can be found on the Industrial Medical Council's website at: <http://www.dir.ca.gov/IMC/imchp.html> .**

**The proposal is to compensate physicians for the additional work involved in workers' compensation E/M services by applying the adjustment factors to the RVUs established by CMS. Some members of the public have feared that increase in E/M reimbursement would lower other relative values. However, under the current proposal the E/M adjustment factor would NOT reduce the value of other services.]**

#### **§ 9788.8 Calculation of the Maximum Reasonable Fee**

Except for fees determined in §§9788.9, 9788.15, 9788.17 (Evaluation and Management, Anesthesia, Acupuncture), the base maximum reasonable fee for physician and other professional medical service providers shall be the lesser of the usual and customary charge or the appropriate non-facility or facility fee calculated as follows:

(A) Non-facility fee calculation:

$$[\text{Work RVU} * \text{Work GPCI}] + [\text{Non-facility PE RVU} * \text{PE GPCI}] + [\text{malpractice RVU} * \text{malpractice GPCI}] * \text{CF} = \text{Maximum Fee}$$

(B) Facility fee calculation:

$$[\text{Work RVU} * \text{Work GPCI}] + [\text{Facility PE RVU} * \text{PE GPCI}] + [\text{malpractice RVU} * \text{malpractice GPCI}] * \text{CF} = \text{Maximum Fee.}$$

The base maximum reasonable fee for the procedure code is subject to further modification in accordance with applicable rules as set forth in this fee schedule.

Providers shall ensure that bills issued contain information necessary to calculate the proper fee, including information on whether the service was performed in a "facility" or "Non-facility", and the zip code of the physical location at which the service was rendered.